



House of Representatives

General Assembly

File No. 482

January Session, 2011

Substitute House Bill No. 6260

House of Representatives, April 7, 2011

The Committee on Planning and Development reported through REP. GENTILE of the 104th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CONCERNING THE JEOPARDY COLLECTION OF TAXES.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 12-163 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective from passage*):

3 If, between the assessment date and the tax due date, any tax
4 collector believes that the collection of any tax will be jeopardized by
5 delay, he shall, subject to the provisions of this section, collect such tax
6 forthwith. He may enforce collection thereof by using any one or more
7 of the methods provided in sections 12-155, 12-161 and 12-162, or in
8 any other section of the general statutes relating to the enforced
9 collection of taxes. Upon commencing a jeopardy collection proceeding
10 in anticipation of a potential failure to pay taxes, a tax collector shall
11 provide written notice of such collection proceeding to (1) the chief
12 elected official of the municipality in which the property is located,
13 and (2) the person subject to such collection proceeding. Such written
14 notice shall contain a detailed explanation supporting the tax

15 collector's belief that the collection of the tax will be jeopardized by
16 delay. If the amount of such tax has been definitely fixed by the rate
17 maker, the collector shall collect such amount. If the assessment of the
18 property represented by such tax has been fixed by the assessors but
19 the tax rate has not been laid, the collector shall, subject to the
20 provisions of this section, enforce collection of a tax obtained by
21 multiplying the assessment so fixed by the tax rate of the year next
22 preceding. If neither the assessment of the property nor the tax rate has
23 been fixed, the tax collector shall make application to the assessors for
24 a valuation on such property. The assessors shall forthwith assess such
25 property and the assessment placed upon such property by the
26 assessors, together with the tax rate of the year next preceding, shall be
27 used by the collector in determining the amount of tax to be collected.
28 If, after the payment of any tax in conformity with the provisions of
29 this section, it is found that the amount so paid is in excess of the
30 amount which would have been paid on the tax due date or after
31 appeal to the courts, the excess so paid shall be returned to the
32 taxpayer upon written application by him to the treasurer of the
33 municipality. Such written application shall contain a recital of the
34 facts; shall show the amount of rebate to which the applicant believes
35 he is entitled; shall be approved by the tax collector, and shall be made
36 within the period of one year from the date of the definite
37 determination of such tax. The person against whom jeopardy
38 collection proceedings have been begun may obtain a stay of collection
39 of the whole or any part of the amount of the tax so represented by
40 such proceedings by filing with the tax collector a bond in such an
41 amount, not exceeding double the amount as to which the stay is
42 desired, and with such surety as the tax collector deems necessary,
43 conditioned upon the payment of so much of the amount, the
44 collection of which is stayed by the bond, as is found to be due from
45 such person when the grand list has been completed and the tax rate
46 fixed, or as is determined by the board of assessment appeals or a
47 court of competent jurisdiction after appeal to it. The amount of the tax
48 which is stayed by the bond shall be paid on notice and demand of the
49 tax collector, at any time after the tax due date. The person subject to

50 jeopardy collection proceedings, under the provisions of this section,
51 who has obtained a stay of collection in whole or in part, shall have the
52 right to waive such stay at any time in respect to the whole or any part
53 of the amount covered by the bond and if, as the result of such waiver,
54 any part of the amount covered by the bond is paid, the bond shall, at
55 the request of the taxpayer, be proportionately reduced.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	12-163

PD *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note***State Impact:*** None***Municipal Impact:*** None***Explanation***

No fiscal impact is anticipated in response to mandating that written notification be provided by a tax collector, upon commencing a jeopardy collection, to (a) a municipal chief elected official, and (b) the person subject to collection.

The Out Years***State Impact:*** None***Municipal Impact:*** None

OLR Bill Analysis**sHB 6260*****AN ACT CONCERNING THE JEOPARDY COLLECTION OF TAXES.*****SUMMARY:**

This bill requires a municipal tax collector, when beginning a jeopardy collection proceeding for a potential failure to pay taxes, to provide notice of the collection in writing to the (1) municipality's chief elected official and (2) taxpayer. The law authorizes tax collectors to collect a tax that is assessed but not yet due when they believe payment may be jeopardized by a delay. The bill requires the tax collector's written notice to describe in detail the basis for believing that collecting the tax would be at risk by delay.

EFFECTIVE DATE: Upon passage

BACKGROUND***Jeopardy Tax Collection***

The local jeopardy tax collection authorization allows a local tax collector to collect a tax "forthwith" when he or she "believes that the collection of any tax will be jeopardized by delay." The tax collector can do so between the assessment date and the date the tax is due, using an existing collection method. A taxpayer may protest a jeopardy assessment by obtaining a stay, posting a bond, and appealing to the board of assessment appeals or subsequently to a court.

The Department of Revenue Services commissioner has the same authority to make a jeopardy tax collection for sales and use taxes (CGS § 12-417), the income tax (CGS § 12-729a), and taxes other than sales and use and income taxes (CGS § 12-36).

COMMITTEE ACTION

Planning and Development Committee

Joint Favorable Substitute

Yea 18 Nay 2 (03/23/2011)